March 15, 2022

Nayax Ltd.
(the "Company")

To
Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem 95464

To
Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bait Street
Tel Aviv 6525216

Dear madam or sir,

Re: Non-binding term sheet with Bank Hapoalim B.M. and Feit Synergy Ltd. for establishing a joint venture

The Company respectfully announces that on March 15, 2022, the Company entered into a non-binding term sheet with Bank Hapoalim B.M. ("**Bank Hapoalim**") and Feit Synergy Ltd. ("**Feit**") a company controlled by Mr. Alon Feit (all of the parties jointly: the "**Parties**") for purpose of creating a joint venture under which the Parties shall establish and operate an innovative international platform, which shall provide financing options for small and medium businesses (in the first stage) for acquiring income generating IoT products (such as automated vending machines and electric vehicle charging stations) (the "**Products**"), while repayment of said financing shall be secured by future revenues generated by such Products. The joint venture shall strive to establish full automation and digitization of the services to be offered, including registration, operation, collection, customer service etc.

Under the terms of the term sheet, the Parties shall incorporate a new Israeli company (the "**JV Company**"), with an initial holding structure according to which 42% of the JV Company's share capital shall be held by the Company, 24% by Feit, 20% by Bank Hapoalim[1] and 14% by a trustee for future share allocation by the JV Company to its employees, officers and service providers, under an equity incentive program to be adopted in the future by the JV Company's board of directors. The JV Company's board of directors shall comprise of five directors, two of which appointed by the Company, two by Feit and one by Bank Hapoalim.

The term sheet sets forth that Feit shall invest in the JV Company an amount of USD 0.5 million, the Company shall invest in the JV Company USD 1.5 million and Bank Hapoalim shall invest in the JV Company USD 1.5 million. The Parties shall invest in the JV Company 25% of such amounts upon incorporation of the JV Company, and the balance of such amounts shall be invested by the Parties in stages, according to milestones to be determined in the complete and binding agreements to be executed between the Parties later on (the "**Complete Agreements**"). The term sheet also sets forth

[1] Bank Hapoalim shall have voting rights at the rate of only 4.99%.

that Bank Hapoalim shall grant the JV Company a loan convertible into shares of the JV Company (the "**Loan**") in a total amount of USD 1.5 million, to be extended to the JV Company from time to time, according to its needs.[2]

The term sheet determines the division of responsibilities between the Parties in connection with the activity of the JV Company whereby Feit shall be primarily responsible for formulating the business plan for the approval of the board of directors of the JV Company and for day-to-day management of the JV Company. The Company shall identify initial potential customers for the JV Company and shall also serve as the exclusive supplier of clearing services for the Products at competitive prices and shall provide HQ services to the JV Company at market prices. Bank Hapoalim shall have a right of first refusal for providing financing to the JV Company and to the customers of the JV Company based on principles to be agreed between the Parties under the Complete Agreements.

The Company shall be granted call options for purchasing all shares of Feit and Bank Hapoalim in the JV Company as well as all shares of the JV Company to be allocated under the equity incentive plan, and the Company shall provide Bank Hapoalim and Feit put options for selling all of their shares in the JV Company, all under conditions set forth in the term sheet.

The term sheet is non-binding[3] and is meant to define the mutual understandings of the Parties on the basis of which the Parties shall negotiate in good faith towards executing the Complete Agreements. The term sheet sets forth that the Complete Agreements shall be executed within 60 days of signing the term sheet,[4] otherwise the term sheet shall expire and have no further effect.

It is clarified that as of the current date there is no certainty that the Parties shall indeed engage under the Complete Agreements and/or with respect to the terms thereof.

Sincerely,
Nayax Ltd.
Signed by: Mr. Michael Galai,
Chief Legal Officer and Company Secretary

[2] According to the term sheet, depending on the revenues of the JV Company in the third and fourth years of its activity, part or all of the Loan amount shall be converted into premium on shares of the JV Company, and the balance of the Loan shall be repaid by the JV Company. The Company and Feit shall guarantee repayment of 80% of the Loan amount not converted into shares.

[3] Save for certain provisions that relate, *inter alia*, to confidentiality.

[4] Subject to the Parties' ability to extend such period by consent.